

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Strandquist Post Office
Strandquist, Minnesota 56758

Docket No. A2012-95

ANSWERING BRIEF IN SUPPORT OF THE POSTAL SERVICE
(January 26, 2012)

On December 2, 2011, the Postal Regulatory Commission ("Commission") received an appeal postmarked November 23, 2011, from postal customer Eunice Rud on behalf of the Strandquist Residents ("Petitioners"), objecting to the discontinuance of the Post Office at Strandquist, Minnesota. The Commission notified the Postal Service it had received the appeal by means of a Notice of Filing Under 39 U.S.C. § 404(d), issued on December 28, 2011. On December 29, 2011, the Commission issued Order No. 1083, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The Commission acknowledged receipt of the appeal and provided Petitioners a Commission Form 61 on January 4, 2012. Petitioners did not file a Form 61 in support of the appeal, and the Commission received no additional written communications from customers of the Strandquist Post Office. In accordance with the Commission's Notice of Filing and Order No. 1083, the Postal Service filed the administrative record with the Commission on December 19, 2011.

The appeal raises three main issues: (1) the effect of the closing on the community; (2) impact on effective and regular postal services to the community; and (3) economic savings. As reflected in the administrative record of this proceeding, the

Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and Commission precedent,¹ the Postal Service gave consideration to other factors, including the impact upon Postal Service employees. Accordingly, the determination to discontinue the Strandquist Post Office should be affirmed.

Background

The Final Determination To Close the Strandquist, MN Post Office and Extend Service by Rural Route Service, as well as the administrative record, indicate that the Strandquist, MN Post Office provides EAS-11 level service from 08:30 a.m. to 12:30 p.m. and 1:30 to 4:00 p.m. Monday through Friday and 08:30 to 09:15 a.m. on Saturday, and provides lobby hours of 07:15 a.m. - 4:15 p.m. Monday through Friday and 05:30 to 09:15 a.m. on Saturday, to 32 Post Office Box customers and 158 rural delivery customers. Item No.47, Final Determination to Close the Strandquist, MN Post Office and Extend Service by Rural Route Service ("FD"), at 2; Item No. 42 (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet ("Fact Sheet"), at 1.² The Strandquist Post Office has one (1) permit mailer and no postage meter customers. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal to Close the Strandquist, MN Post Office and Extend Service by Rural Route Service (Revised) ("Proposal"), at 2, 7. The Postmaster of the Strandquist Post Office retired on July 31, 2009, and an employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, if the office has a noncareer postmaster relief (PMR), he or she may be separated from the Postal Service; however, attempts will be

¹ See 39 U.S.C. 404(d)(2)(A).

² In these comments, specific items in the administrative record are referred to as "Item No. ____."

made to reassign the employee to a nearby facility.³ The average number of daily retail window transactions at the Strandquist Post Office is thirteen (13), accounting for thirteen (13) minutes of retail workload daily. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. Furthermore, the revenue figures for the Strandquist Post Office show a clear downward trend: \$17,306.00 (45 revenue units) in FY 2008; \$15,339.00 (40 revenue units) in FY 2009; and \$12,461.00 (33 revenue units) in FY 2010.⁴

Upon implementation of the final determination, delivery and retail services will be provided by the Karlstad Post Office, an EAS-13 level office located approximately eight miles from Strandquist.⁵ Karlstad has window service hours similar to those at Strandquist, only longer: 08:30 a.m. to 12:30 p.m. and 2:00 to 4:45 p.m. Monday through Friday, and 09:00 to 10:15 a.m. on Saturday. Karlstad also has 24 hour/day lobby hours Monday through Saturday, and 140 Post Office boxes available. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. Retail service in the area is also available at the Newfolden Post Office, an EAS-13 level office located approximately ten miles from Strandquist.⁶ Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. Window service hours at Newfolden are from 09:00 to 11:45 a.m. and 1:00 to 4:00 p.m. Monday through Friday and 09:00 to 10:00 a.m. on Saturday, and there are 66 Post Office boxes available. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. Lobby hours at Newfolden

³ Item No. 47, FD, at 2, 7; Item No. 41, Proposal, at 7.

⁴ Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

⁵ The Karlstad, MN Post Office is not on the list of candidate facilities in the Retail Access Optimization Initiative ("RAOI") (PRC Docket N2011-11, USPS LR-N2011-1/11 Rev 1).

⁶ The Newfolden, MN Post Office is not on the list of candidate facilities in the Retail Access Optimization Initiative ("RAOI") (PRC Docket N2011-11, USPS LR-N2011-1/11 Rev 1).

are from 07:00 a.m. to 7:00 p.m. Monday through Friday and 07:00 a.m. to 7:00 p.m. on Saturday. Item No. 42, Fact Sheet, at 1.

The Postal Service followed proper procedures leading to the posting of the final determination. All issues raised by the customers of the Strandquist Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the proposal and final determination, customers received notice through other means. Questionnaires were distributed to Strandquist Post Office delivery customers. Questionnaires were also available over the counter for retail or other customers. Item No. 47, FD, at 2; Item No. 41, Proposal, at 2; Item No. 20, Questionnaire Instruction Letter to OIC/Postmaster at Strandquist Post Office, at 1. A letter from the Manager of Post Office Operations, Sioux Falls, SD, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Strandquist Post Office was warranted, and that effective and regular service could be provided through rural route delivery and retail services under the administrative responsibility of the Karlstad Post Office. The letter also noted that retail services were available at the Newfolden Post Office, located approximately ten miles away. The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery. Item No. 21, Cover letter, questionnaire, and enclosures ("Letter to Customer"), at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22.

In addition, representatives from the Postal Service were available at the Strandquist Post Office on June 20, 2011, to answer questions and provide information

(11 people attended the meeting). Item No. 47, FD, at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster, at 1; Item No. 25, Community Meeting Analysis, at 1-2; Item No. 41, Proposal, at 2. Customers received formal notice of the proposal and final determination through postings at Strandquist and nearby facilities. The proposal was posted with an invitation for public comment at the Strandquist, Karlstad, and Newfolden Post Offices from July 22, 2011 through September 22, 2011. Item No. 47, FD at 2; Item No. 31, Instructions to Postmaster/OIC to Post Proposal, at 1; Item No. 32, Invitation for Comments, at 1; Item No. 33, Original Proposal, at 1; Item No. 34, Optional Comment Form, at 1; Item No. 35, Instructions for Postmaster/OIC to Remove Proposal, at 1; Item No. 36, Round-Date Stamped Proposal, at 1-6; Item No. 37, Notice of Taking Proposal and Comments Under Internal Consideration, at 1. The final determination was posted at the same three post offices from October 24, 2011 through November 25, 2011, as confirmed by the round-dated final determination cover sheets that appear in the administrative record. Item No. 47, FD, at 1; Item No. 48, Letter of Instructions Regarding Posting of the Strandquist Post Office Final Determination, at 1; Item No. 49, Round-Date Stamped Final Determination Cover Sheets, at 1-3.

In light of the postmaster vacancy, minimal workload, declining office revenue,⁷ the variety of delivery and retail options (including the convenience of rural delivery and retail service),⁸ minimal impact upon the community, and the expected financial savings,⁹ the Postal Service issued the final determination.¹⁰ Regular and effective

⁷ See note 4 and accompanying text.

⁸ Item No. 47, FD, at 2-7; Item No. 41, Proposal, at 2-7.

⁹ Item No. 46, FD, at 6; Item No. 17, Rural Route Cost Analysis, at 2; Item No. 29, Proposal Checklist, at 2; Item No. 41, Proposal at 7.

¹⁰ Item No. 47, FD, at 2-7.

postal services will continue to be provided to the Strandquist community in a cost-effective manner upon implementation of the final determination. Item No. 47, FD, at 2-7.

As a preliminary matter, Petitioners contend that the community meeting held on June 20, 2011 would have been better attended if it had been held in the evening rather than during the day when many people are working. On this point, the Postal Service notes that its internal regulations give local discontinuance coordinators flexibility in determining meeting times that encourage customer participation. See Handbook P0-101 § 251. No single time is ever consistent with all customer preferences. Hours within an office's normal hours of operation generally suit customers who routinely visit that office while inconveniencing customers who visit the office only occasionally, thereby conflicting with their work hours in many cases. Evening hours may suit the occasional customers, while inconveniencing regular customers. That is one reason why a discontinuance study process affords customers multiple avenues for providing their input: questionnaires, community meeting, written correspondence at any time, and, if those opportunities do not suffice, then formal comments on a proposal posted for 60 days to provide another means for submission of customer input. All of these avenues were utilized with respect to the Strandquist study.

Each of the substantive issues relevant to the closing of the Strandquist Post Office is addressed in the paragraphs that follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service carefully considered the effect of closing the Strandquist Post Office on postal services provided to Strandquist

customers. The closing is premised upon providing regular and effective postal services to Strandquist customers.

The Petitioners raise the issue of the effect on postal services of the Strandquist Post Office's closing, and request its retention. As detailed above, the Strandquist Post Office has limited hours and an average of thirteen (13) daily window transactions, accounting for thirteen (13) minutes of retail workload daily. Item No. 41, Proposal, at 2; Item No. 10, Window Transaction Survey, at 1. Upon implementation of the final determination, delivery and retail services will be provided by rural route service under the administrative responsibility of the Karlstad Post Office, an EAS-13 level office located approximately eight miles from Strandquist. The window service hours of the Karlstad Post Office are longer than the service hours of Strandquist, from 08:30 a.m. to 12:30 p.m. and 2:00 to 4:45 p.m. Monday through Friday, and 09:00 to 10:15 a.m. on Saturday. Further, Karlstad has 24 hour/day lobby hours Monday through Saturday. Item No. 47, FD, at 2. Retail service is also available at the Newfolden Post Office, an EAS-13 level office located approximately 10 miles from Strandquist. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2. Window service hours at Newfolden are from 09:00 to 11:45 a.m. and 1:00 to 4:00 p.m. Monday through Friday and 0900 to 10:00 a.m. on Saturday. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No.41, Proposal, at 2. Lobby hours at Newfolden are from 07:00 a.m. to 7:00 p.m. Monday through Friday and 07:00 a.m. to 7:00 p.m. on Saturday. Item No. 42, Fact Sheet, at 1. Both offices have plenty of Post Office boxes available: Karlstad has 140, and Newfolden has 66. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2.

In addition, services provided at the Strandquist Post Office will be available from

the carrier, and most transactions do not require meeting the carrier at the mailbox. Item No. 47, FD, at 3, 4, 7. Further, Stamps by Mail and Money Order Application forms are available for customer convenience, and stamps are also available at many stores and gas stations where customers may already shop, online at usps.com, or by calling 1-800-STAMP-24. Item No. 47, FD, at 3. Clearly, the Postal Service properly analyzed whether a maximum degree of effective and regular postal services to the area and community could be provided in the absence of the Strandquist Post Office, and properly concluded that the answer was affirmative.

In their Petition for Review ("PFR"), Petitioners express concern that a permit mailer, the Bethesda Lutheran Church, mails its newsletter and other mailings from Strandquist and does "not want to drive to Karlstad to do this mailing." PFR, at 1. Upon implementation of the final determination, administrative responsibility for Strandquist permit accounts will be transferred to Karlstad, and mailings must be submitted to that office for verification. Item No. 47, FD, at 3, 4; Item No. 41, Proposal, at 3, 4. However, the Bethesda Lutheran Church is the only permit mailer with a permit account at Strandquist. Item No. 47, FD, at 2; Item No. 42, Fact Sheet, at 1; Item No. 41, Proposal, at 2, 7. Therefore, any inconvenience that this particular mailer may experience as a result of periodically traveling eight miles to Karlstad does not constitute a significant impact on postal services in the context of the entire proposal. The Postal Service will continue to provide this particular mailer, as well as any new customer who wishes to obtain a permit, regular and effective postal services out of Karlstad.

Lastly, Petitioners argue generally that many Strandquist customers believe "driving to Karlstad, which is in Kittson Co. does not make sense, they would rather go

to Newfolden, which is in Marshall Co." where Strandquist is situated. PFR, at 1. As detailed in the final determination, retail services are available at both Karlstad and Newfolden, and both offices have Post Office boxes available for rent. Item No. 47, at 3. Therefore, customers who prefer to utilize the Newfolden Post Office instead of the Karlstad Post Office may certainly do so.

For all the reasons stated above, the Postal Service has considered the impact of closing the Strandquist Post Office upon the provision of postal services to Strandquist customers and has properly concluded that all Strandquist customers will continue to receive regular and effective service by rural route service.

Effect Upon the Strandquist Community

The Postal Service is obligated to consider the effect of its decision to close the Strandquist Post Office upon the Strandquist community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local post offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a post office. Petitioners assert that the Strandquist Post Office "is a vital part of the community and the people would really miss it" if it were closed. PFR, at 1.

Strandquist is an unincorporated community located in Marshall County, Minnesota. The Marshall County Sheriff provides police protection. The community is administered politically by Strandquist. Fire protection is provided by neighboring Karlstad. The community is comprised of farmers, retirees, commuters, self-employed persons, and those who commute to work at nearby communities and work in local businesses. Businesses and organizations include: Bethesda Lutheran Church, Heglund Lutheran Church, Assumption Catholic Church, Strandquist Food Pantry,

Rainbow Club, Deer Hunter's Association, RB Sizzler, Full Circle Water Inc., Moment Memories Photography, D&E Repair, Hanson Frame & Repair, Heads Up Performance Repair, Gunderson Auto Body Repair, G&G Farms, Bring Construction, Rogus Construction, Sharon's Tax Service, Johnson's Plumbing & Heating, Johnson's Drywall, John's Repair, Jerry's Service Center, Home Tech Svs, Norwest, Jason's DeeJay Entertainment & Karaoke, Rominski Auctioneers, Lincoln Land Seed Foundation, Mary's Day Care, and Sue's Kountry Kids Day Care. Item No. 47, FD, at 7; Item No. 41, Proposal, at 5.

The effect of the closing of the Strandquist Post Office upon the Strandquist community was considered extensively by the Postal Service, as reflected in the administrative record. Item No. 23, Customer Questionnaire Analysis, at 2-4; Item No. 47, FD, at 5-6; Item No. 41, Proposal, at 5-6. Communities generally require regular and effective postal services and these will continue to be provided to the Strandquist community. In addition, the Postal Service has concluded that nonpostal services provided by the Strandquist Post Office will be available at the Karlstad Post Office. Item No. 23, Questionnaire Analysis, at 3; Item No. 41, Proposal, at 5; Item No. 47, FD, at 5. Further, Government forms usually provided by the Post Office are available by contacting local government agencies, and many local retail outlets or grocery stores have community bulletin boards similar to the bulletin board at Strandquist. Item No. 23, Questionnaire Analysis, at 3; Item No. 47, FD, at 5; Item No. 41, Proposal, at 5.

Customers expressed a concern that the closing of Strandquist would have a detrimental effect on the business community. Item No. 23, Questionnaire Analysis, at 4; Item No. 41, Proposal, at 5; Item No. 47, FD, at 5. However, there is no indication that the Strandquist business community will be adversely affected. Businesses require

regular and effective postal services, and such services will continue to be provided to the business community. Item No. 23, Questionnaire Analysis, at 4; Item No. 47, FD, at 6; Item No. 41, Proposal, at 5. The questionnaires completed by Strandquist customers indicate that, in general, many of the farmers, retirees, commuters, self-employed persons, and others who reside in Strandquist travel elsewhere for supplies and services. See generally, Item No. 47, FD, at 6; Item No. 22, Returned Customer Questionnaires and Postal Service response letters. However, Strandquist customers who do frequent local businesses indicated they will continue to use those businesses even if the Strandquist Post Office is discontinued. See generally, Item No. 47, FD, at 6; Item No. 22, Returned Customer Questionnaires and Postal Service response letters. Further, the closing of the Strandquist Post Office will not leave residents without a gathering place and information center. Residents may continue to meet informally, socialize, and share information at the other business, churches, and residences in town. See Item No. 47, FD, at 6.

For the reasons detailed above, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Strandquist Post Office on the Strandquist community.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Strandquist Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Strandquist Post Office are

\$39,928.00. Item No. 47, FD, at 6; Item No. 41, Proposal, at 7.

Petitioners assert that the savings calculation was incorrect because the salary and benefits of a career Postmaster were used in the calculation instead of the lower income earned by the OIC, who receives no sick leave, annual leave, or holiday pay. PFR, at 1. However, it was appropriate to use a career Postmaster's salary and benefits in the savings calculation, because the career position would have ultimately been filled if the Strandquist Post Office had not been identified as a candidate for discontinuance. Thus, the Postal Service will save the salary and benefits of a career Postmaster position.

Petitioners also assert that there is one year remaining on the lease for the Strandquist Post Office and that the rent is "not that expensive." PFR, at 1. As indicated by the administrative record, the lease for the Strandquist Post Office expires on January 31, 2015, and the annual rental is \$5,280. Item No. 18, Fact Sheet, at 1. However, the lease includes a cancellation clause. Item No. 18, Fact Sheet, at 1. Therefore, no deduction of lease costs from the economic savings calculation is warranted. Petitioners' concern was properly addressed.

Economic savings is one of several factors that the Postal Service considered in making its determination, and, as noted throughout the administrative record, economic savings have been calculated as required for discontinuance studies, consistent with the Postal Service's statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact of the Strandquist Post Office closing on postal employees is minimal. The Postmaster of the Strandquist Post Office retired

on July 31, 2009, and an employee was installed as the temporary OIC. Item No. 47, FD, at 2, 6; Item No. 41, Proposal, at 2, 7. Upon implementation of the final determination, if the office has a noncareer postmaster relief (PMR), he or she may be separated from the Postal Service; however, attempts will be made to reassign the employee to a nearby facility. Item No. 47, FD, at 6-7; Item No. 41, Proposal, at 7. No other Postal Service employee will be adversely affected. Item No. 47, FD, at 6; Item No. 41, Proposal, at 7. Therefore, in making its determination, the Postal Service considered the effect of the closing on Postal Service employees, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Strandquist Post Office on the provision of postal services and on the Strandquist community, as well as the economic savings that would result from the proposed closing, the effect on Postal Service employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Strandquist customers. Item No. 47, FD, at 7. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). Therefore, the Postal Service's decision to close the Strandquist Post Office should be affirmed.

The Postal Service respectfully requests that the determination to close the Strandquist Post Office be affirmed.

Respectfully submitted,
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